



RUSSIAN BIZAV TAKES A DIVE BUT QUITE HOW FAR ISN'T CLEAR

News / Business aviation



The exact scale of the **Russian business aviation** sector continues to be hard to gauge, but this didn't stop Western aircraft manufacturers and service providers from flocking to the annual JetExpo show at Moscow's Vnukovo Airport in September. The three-day show drew 40 exhibitors, 24 aircraft and an estimated 7,000 visitors—a relatively strong showing given the discouraging state of Russia's economy.

What is clear is that the number of business jets imported into Russia and registered in that country remains small. According to the Russia United Business Aviation Association (RUBAA), the total is approximately 60; U.S. aircraft data specialist JetNet puts the number at 72. The industry group indicated that “dozens” of Russian-registered aircraft are now up for sale, and several have been exported and sold to new owners outside the country.

By contrast, there are now estimated to be between 500 and 600 aircraft owned by Russian nationals but registered outside the country. JetNet's tally for last year was 542 aircraft, up 12 percent on 2013.

According to Moscow-based aircraft management and charter operator Meridian, the Russian government is pursuing a campaign to induce Russian owners to register their aircraft at home. General director Vladimir Lapinsky told **AIN** that this should create more aircraft management work for his company.

BUSINESS FLIGHTS DECLINE, DESTINATIONS CHANGE

While there seems to be consensus within the industry that Russian business aviation activity has declined in the past 12 months or so, there is no clear statistical data to quantify this accurately. Russian newspaper *Izvestia* compared the January to April period this year to the same time frame last year and found that total traffic had declined by 20.6 percent. Dwindling flights in and out of Russia drove much of this decline, as domestic flight activity showed a gain of between 5 and 7 percent. However, separate analysis of bizav flight data comparing August 2015 with August 2014 showed a slide of 19.5 percent in Russia and 27.3 percent in Ukraine. Flights to and from France from January to April declined by 14 percent, while flights to Germany and the UK dipped 18.2 percent and 6 percent, respectively.

What does seem clear is that Russia is no longer the rising star of European business aviation, as it has been in recent years. According to Germany-based data group WingX Advance, Russian bizav traffic during the first six months of this year fell by 23 percent, equating to an average daily loss of 15 flights.

On the other hand, RUBAA reported a “notable increase” in bizav flights between Russia and eastern Asia (mainly China, Hong Kong, Thailand, Vietnam and Indonesia). In part this appears to be result of more stringent visa requirements for Russians entering the European Union, prompting some wealthy people to head east for their vacations, rather than to the south of France. Relaxed visa requirements between Russia and China have further fueled this trend.

At the same time, Russian business aircraft operators have had to contend with rising costs associated with the collapse of the country’s ruble against the U.S. dollar and the euro. According to RUBAA, average operating costs have climbed by between 15 and 30 percent. To keep costs in check, operators have been turning to Russia-based businesses for maintenance work.

VNUKOVO STANDS STRONG AS RUSSIA’S BIZAV GATEWAY

Despite Russia’s economic woes, Moscow’s third airport, Vnukovo, continues to grow and is expected to add 3.2 million passengers to its annual throughput this year, to reach a total of 16 million. The vast majority of this comes from growing airline traffic, but the airport continues to set aside 10 slots per hour for business aviation, which accounts for some 20,000 movements per year.

“Vnukovo-3 [the airport’s private aviation terminal] is the undisputed leader in business aviation,” said general director Vasily Alexandrov. “It serves more than 70 percent of business aviation [traffic] in the Moscow region.” He acknowledged that with landing fees charged according to aircraft weight, the airport loses out financially by guaranteeing access to slots that might otherwise be allocated to airliners.

In addition, Vnukovo also offers convenient access to the center of the Russian capital. Its position on the southwest side of Moscow’s beltway connects it directly with three major highways.

18 SEPTEMBER 2015

SOURCE: AIN

ARTICLE LINK:

<https://50skyshades.com/index.php/news/business-aviation/russian-bizav-takes-a-dive-but-quite-how-far-isnt-clear>